



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JUN - 9 2011

James K. Webber, Chairman
New Jersey Republican State Committee
150 West State Street
Suite 230
Trenton, New Jersey 08608

RE: MUR 6400
(Adler for Congress, *et al.*)

Dear Mr. Webber:

On June 6, 2011, the Federal Election Commission reviewed the allegations in your complaint dated October 19, 2010, and made the following determinations on the basis of the information provided in your complaint, and information provided by the respondents:

1. The Commission found no reason to believe John H. Adler violated 2 U.S.C. § 441a(a);
2. The Commission found no reason to believe Geoff Mackler violated 2 U.S.C. § 441a(a);
3. The Commission found no reason to believe Matt White violated 2 U.S.C. § 441a(a);
4. The Commission found no reason to believe Bill Moen violated 2 U.S.C. § 441a(a);
5. The Commission found no reason to believe Haddon Capital Ventures, LLC violated 2 U.S.C. § 441a(a);

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6. The Commission dismissed the allegations that Peter DeStefano for Congress and Peter M. DeStefano, in his official capacity as treasurer, violated 2 U.S.C. §§ 432(e)(1), 434(a) and (b) and 441a(f);
7. The Commission dismissed the allegations that Adler for Congress and Richard J. Sexton, in his official capacity as treasurer violated 2 U.S.C. §§ 441a(a) and 434b; and
8. The Commission dismissed the allegations that Camden County Democratic Committee violated 2 U.S.C. §§ 433, 434(a) and (b), and 441a(a).

Accordingly, on June 6, 2011, the Commission closed the file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). The Factual and Legal Analyses, which more fully explain the Commission's findings, are enclosed.

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Christopher Hughey
Acting General Counsel



BY: Mark Allen
Assistant General Counsel

Enclosures
Factual and Legal Analyses

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR 6400

RESPONDENT: Haddon Capital Ventures, LLC

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission by the New Jersey Republican State Committee. *See* 2 U.S.C. § 437g(a)(1).

II. FACTUAL AND LEGAL ANALYSIS

The complaint alleges that Adler for Congress and Richard Sexton, in his official capacity as treasurer ("Adler Committee"), the principal campaign committee of former Congressman John H. Adler, and Camden County Democratic Committee ("CCDC"), a county political party committee registered with the New Jersey Election Law Enforcement Commission, made and failed to disclose excessive in-kind contributions to Peter DeStefano for Congress ("DeStefano Committee"), the principal campaign committee of Peter DeStefano. Both Adler and DeStefano were candidates in the 2010 General Election for U.S. House of Representatives in the 3rd Congressional District of New Jersey; Adler was the Democratic nominee and DeStefano, running under the slogan "NJ Tea Party," qualified for the ballot by filing a petition for direct nomination on June 8, 2010.

Based upon two published reports (attached to the complaint), the complaint alleges that the Adler Committee and CCDC paid a consultant, Haddon Capital Ventures, LLC ("HCV"), and/or its owner, Steve Ayscue, to organize and participate in the solicitation of signatures to qualify DeStefano for the ballot, thereby making excessive contributions to DeStefano. In addition, the complaint alleges that HCV and/or Steve Ayscue operated DeStefano's website,

1 Twitter account, and Facebook page. The response of Steve Ayscue denies that there was a
2 "contribution" under the Federal Election Campaign Act of 1971, as amended (the "Act").
3 Ayscue Response at 2.

4 Under the Act, no person may make a contribution to a candidate and his authorized
5 political committee with respect to any election for Federal office which, in the aggregate,
6 exceeds \$2,400 during the 2010 election cycle, and no candidate or authorized political
7 committee may knowingly accept such a contribution. 2 U.S.C. §§ 441a(a)(1) and (f). The Act
8 defines "contribution" as the provision of something of value "for the purpose of influencing any
9 election for Federal office," and includes the "payment by any person of compensation for the
10 personal services of another person which are rendered to a political committee without charge
11 for any purpose." 2 U.S.C. §§ 431(8)(A)(i) and (ii). *See also* 11 C.F.R. § 100.52(d). Treasurers
12 of political committees are required to disclose all contributions. 2 U.S.C. § 434(b).

13 According to one published report, Ayscue recruited a then unidentified man (later
14 identified as DeStefano) to run as a third party candidate to draw votes from Adler's Republican
15 opponent. *See Dems Picked Spoiler Candidate*, www.CourierPostOnline.com, October 8, 2010.
16 The report also states that Ayscue recruited volunteers to collect petition signatures to place the
17 third party candidate on the ballot. *Id.*

18 The DeStefano Committee did not disclose the receipt of any contributions from HCV
19 and/or Ayscue.

20 Based on the available information, including that Mr. Ayscue has not denied his
21 involvement in efforts supporting the DeStefano campaign, it appears that there may have been
22 an in-kind contribution from the Adler Committee to the DeStefano campaign. *See* 2 U.S.C.

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1 § 431(8)(A)(i); 11 C.F.R. § 100.52(d). However, even if Mr. Ayscue sought volunteers to assist
2 with the DeStefano campaign, the value of any resulting alleged in-kind contributions from the
3 Adler Committee, as payor of HCV, would be both difficult to measure and insubstantial.

4 In the response submitted by Steve Ayscue, he contends that his alleged work on behalf
5 of DeStefano does not constitute “the payment by any person of compensation for the personal
6 services of another person which are rendered to a political committee without charge for any
7 purpose” because the benefits conferred “were indisputedly done in exchange for compensation.”
8 Ayscue Response at 2. This response suggests that any contribution to DeStefano would come
9 not from the individuals but rather from the individuals’ employers who paid the individuals for
10 the work. See 2 U.S.C. § 431(8)(a)(ii).

11 CCDC also used the consulting services of HCV, Steve Ayscue’s company. The first
12 published report the complaint relies on identifies Ayscue as a “paid CCDC consultant.”
13 See Complaint, Exhibit 1, and Ayscue Response. CCDC’s state disclosure reports show a
14 \$132.02 “reimbursement” payment for “meetings/means exp” to HCV’s Steve Ayscue on
15 June 18, 2010, which may represent the payment for Ayscue’s efforts pertaining to seeking
16 volunteers for the petition project.¹ Even if this amount corresponds to the May 2010 meeting, it
17 would not constitute an excessive contribution, see 2 U.S.C. § 441a(a).

18 The complaint also alleges that Ayscue operated DeStefano’s website, Twitter account,
19 and Facebook page. The second published report upon which the complaint relies states only
20 that an unidentified “county Democratic employee is running at least the Web elements of

¹ CCDC also disclosed “consulting services expenses” payments to HCV, Mr. Ayscue’s firm, starting on October 5, 2010 in the amount of \$5,000, several months after DeStefano qualified for the ballot.

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1 DeStefano's campaign." See Complaint, Exhibit 2. Even if Ayscue ran the DeStefano
2 campaign's web activities, a review of the sites themselves suggests that any resulting in-kind
3 contribution would be minimal.

4 HCV, the firm owned by Steve Ayscue, is alleged to have provided assistance to the
5 DeStefano campaign. Even if true, this activity would have taken place in its capacity as the
6 paid consultant of the Adler Committee or CCDC. Thus, any alleged contribution to the
7 DeStefano Committee based on the activity of HCV would have come from the Adler
8 Committee or CCDC, rather than from HCV. Therefore, the Commission finds no reason to
9 believe that Haddon Capital Ventures, LLC violated 2 U.S.C. § 441a(a).

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR 6400

RESPONDENTS: Camden County Democratic Committee
Bill Moen
Matt White

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission by the New Jersey Republican State Committee. *See* 2 U.S.C. § 437g(a)(1).

II. FACTUAL AND LEGAL ANALYSIS

The complaint alleges that the Camden County Democratic Committee ("CCDC"), a county political party committee registered with the New Jersey Election Law Enforcement Commission, made and failed to disclose excessive in-kind contributions to Peter DeStefano for Congress ("DeStefano Committee"), the principal campaign committee of Peter DeStefano. DeStefano, a candidate in the 2010 General Election for U.S. House of Representatives in the 3rd Congressional District of New Jersey, ran under the slogan "NJ Tea Party," and qualified for the ballot by filing a petition for direct nomination on June 8, 2010.

Based upon two published reports (attached to the complaint), the complaint alleges that CCDC paid its employees, Bill Moen and Matt White, and a consultant, Steve Ayscue, and his firm, Haddon Capital Ventures, LLC ("HCV"), to organize and participate in the solicitation of signatures to qualify DeStefano for the ballot, thereby making excessive contributions to DeStefano that CCDC did not report. According to the complaint, CCDC's alleged payments to employees to assist DeStefano were in amounts sufficient to require CCDC to register with the Commission as a political committee and report the contributions, which it failed to do. CCDC's

1 response contends that even if it lent support to DeStefano in his efforts to qualify for the ballot,
2 that support was not a "contribution" to "a political committee," and the value of any alleged
3 support did not rise to the level of an excessive contribution or trigger the registration and
4 reporting obligations of the Federal Election Campaign Act of 1971, as amended (the "Act").
5 CCDC Response at 2-3. The joint response of Bill Moen, Matt White and Steve Ayscue, also
6 denies that there was a "contribution" under the Act even assuming CCDC paid them to organize
7 and solicit signatures for the DeStefano campaign. Moen *et al.* Response at 2.

8 Under the Act, no person may make a contribution to a candidate and his authorized
9 political committee with respect to any election for Federal office which, in the aggregate,
10 exceeds \$2,400 during the 2010 election cycle, and no candidate or authorized political
11 committee may knowingly accept such a contribution. 2 U.S.C. §§ 441a(a)(1) and (f). The Act
12 defines "contribution" as the provision of something of value "for the purpose of influencing any
13 election for Federal office," and includes the "payment by any person of compensation for the
14 personal services of another person which are rendered to a political committee without charge
15 for any purpose." 2 U.S.C. §§ 431(8)(A)(i) and (ii). *See also* 11 C.F.R. § 100.52(d). Treasurers
16 of political committees are required to disclose all contributions. 2 U.S.C. § 434(b).

17 According to the complaint, CCDC made unreported contributions to the DeStefano
18 campaign pursuant to 2 U.S.C. § 431(8)(A)(ii). According to one published report, Ayscue
19 recruited a then unidentified man (later identified as DeStefano) to run as a third party candidate
20 to draw votes from Adler's Republican opponent. *See Dems Picked Spoiler Candidate,*

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1 www.CourierPostOnline.com, October 8, 2010. The report also states that Ayscue recruited
2 volunteers to collect petition signatures to place the third party candidate on the ballot. *Id.*
3 While neither published report attached to the complaint mentions CCDC employees Bill Moen
4 or Matt White, other published reports state that they participated in collecting signatures for
5 DeStefano's ballot petition. *See, e.g., Candidate "Plant" Insult To Voters*, www.app.com,
6 October 9, 2010.

7 The CCDC response maintains that the complaint is insufficient because it relies on
8 published reports that cite only anonymous sources. *See CCDC Response at 2.* The CCDC
9 response, however, does not specifically contradict the reports attached to the complaint. CCDC
10 disclosed no contributions to the DeStefano Committee, and the DeStefano Committee did not
11 disclose the receipt of any contributions from CCDC, or from any of the individuals allegedly
12 working to support or assist DeStefano in ballot efforts.

13 In the joint response submitted on behalf of Bill Moen, Matt White and Steve Ayscue,
14 they contend that their alleged work on behalf of DeStefano does not constitute "the payment by
15 any person of compensation for the personal services of another person which are rendered to a
16 political committee without charge for any purpose" because the benefits they conferred "were
17 indisputedly done in exchange for compensation." Moen *et al.* Response at 2. These responses
18 suggest that a contribution to DeStefano, if any, would come not from the individuals but rather
19 from the employers who paid the individuals for the work. *See 2 U.S.C. § 431(8)(a)(ii).* For this
20 reason and because Messrs. Moen and White are not alleged to have made any payments, they do
21 not appear to have made contributions to the DeStefano Committee.

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1 CCDC contends that the alleged support that it rendered DeStefano occurred before
2 DeStefano created a principal campaign committee. CCDC Response at 2. Therefore, according
3 to CCDC, there was no existing "political committee" to which the alleged services could have
4 been provided. *Id.* Even if the conduct did not fall within 2 U.S.C. § 431(8)(a)(ii) as to the
5 DeStefano Committee, however, it fell within the definition of contribution, as "anything of
6 value" given for the purpose of influencing any election for Federal Office. *See* 2 U.S.C.
7 § 431(8)(A)(i).

8 Moreover, if it paid its employees to collect signatures for DeStefano's campaign, CCDC
9 made expenditures within the meaning of 2 U.S.C. § 431(9)(A)(i). *See* Advisory Opinion 1994-
10 05 (White) (expenses incurred in gathering signatures to qualify for a ballot are expenditures);
11 Advisory Opinion 2006-20 (Unity 08) (payments to obtain ballot access through petition drives
12 are expenditures) (vacated on other grounds by *Unity08 v. F.E.C.*, 596 F.3d 61 (D.C. Cir. 2010));
13 MUR 5581 (Nader for President 2004), Factual and Legal Analysis at 4 n.6 (amounts spent on
14 obtaining signatures for candidate to appear on general election ballot are expenditures).
15 If CCDC coordinated its activities with DeStefano, then these expenditures were in-kind
16 contributions to his campaign. *See* MUR 5783 (Carl Romanelli for U.S. Senate) (payments
17 made for ballot petitioning efforts that were coordinated with candidate constituted in-kind
18 contributions). Even if CCDC did not coordinate its activities with DeStefano, CCDC would
19 still have an obligation to report the independent expenditures if they were greater than \$250.
20 *See* 2 U.S.C. § 434(c).

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1 CCDC appears to meet the definition of a "local committee of a political party," that is,
2 an organization that by virtue of the by-laws of a political party or the operation of State law is
3 part of the official party structure, and is responsible for the day-to-day operation of the political
4 party at the level of city, county, neighborhood, ward, district, precinct, or any other subdivision
5 of a State. See 11 C.F.R. § 100.14(b). CCDC's name and the activities reflected on its state
6 disclosure reports appear to support this conclusion. Any local committee of a political party
7 that makes contributions or expenditures aggregating in excess of \$1,000 during a calendar year
8 meets the definition of a political committee. 2 U.S.C. § 431(4)(C). Political committees must
9 file a Statement of Organization with the Commission within 10 days of meeting the threshold
10 definition found in 2 U.S.C. § 431(4)(C), and must file reports that comply with 2 U.S.C. § 434.
11 2 U.S.C. §§ 433(a), 434(a)(1).

12 CCDC's state disclosure reports show that it paid Moen and White together a total of
13 \$2,017.44 for the two-week period between May 26, 2010, the date of the May 2010 meeting
14 referenced in the published reports attached to the complaint, and June 8, 2010, the date stated in
15 the complaint that DeStefano qualified for the ballot, after which he no longer would have
16 required Moen and White's alleged assistance in the form of a petition drive. The payroll
17 amounts paid to Moen and White during this time period were consistent with the amounts they
18 received both before and after their alleged assistance to the DeStefano campaign.
19 Moreover, New Jersey law requires only 100 petition signatures to place a candidate such as
20 DeStefano, running as an independent, on the ballot, which may not take a significant amount of
21 time to gather. See N.J.S.A. § 19:13-5 (1986). While it is unknown how much time Messrs.
22 White and Moen may have spent gathering signatures, it appears unlikely that the full \$2,017.44

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1 in salary that CCDC paid them during the signature-gathering period, or even a substantial
2 portion thereof, would have been attributable to these activities.¹ While the Commission could
3 investigate whether CCDC's payments for these efforts exceeded the \$1,000 threshold for
4 political committee status under the circumstances, where the alleged conduct appears to have
5 involved a limited amount of work over a short period of time, it does not appear that such an
6 investigation would be a good use of the Commission's resources. For the same reason, it does
7 not appear that it would be a good use of the Commission's resources to determine whether
8 CCDC coordinated its activities with the DeStefano Committee.

9 CCDC also used the consulting services of HCV, Steve Ayscue's company. The first
10 published report the complaint relies on identifies Ayscue as a "paid CCDC consultant."
11 See Complaint, Exhibit 1. CCDC's state disclosure reports show a \$132.02 "reimbursement"
12 payment for "meetings/means exp" to HCV's Steve Ayscue on June 18, 2010, which may
13 represent the payment for Ayscue's efforts pertaining to seeking volunteers for the petition
14 project.² Even if this amount corresponds to the May 2010 meeting, it would not constitute an
15 excessive contribution, see 2 U.S.C. § 441a(a), or add enough to warrant investigating the
16 political committee status allegation.

¹ The CCDC Response to the complaint references \$4,344.80 that Messrs. Moen and White were paid in total by CCDC on May 28 and June 11, 2010, recognizing that the latter payments were made after the June 8 date that DeStefano became a candidate according to the complaint. CCDC Response at 2. CCDC asserts that even if the entire \$4,344.80 were applied to Moen and White's signature-gathering efforts, it would fall short of the \$5,000 political committee status threshold for exempt activity. *Id.* at 2-3; see 2 U.S.C. § 431(4)(C). However, the political committee status threshold is \$1,000 in expenditures. 2 U.S.C. § 431(4)(C).

² CCDC also disclosed "consulting services expenses" payments to HCV, Mr. Ayscue's firm, starting on October 5, 2010 in the amount of \$5,000, several months after DeStefano qualified for the ballot.

1 The complaint also alleges that Ayscue operated DeStefano's website, Twitter account,
2 and Facebook page. The second published report upon which the complaint relies, however,
3 states only that an unidentified "county Democratic employee is running at least the Web
4 elements of DeStefano's campaign." *See* Complaint, Exhibit 2. The CCDC response did not
5 address this allegation. Even if Ayscue ran the DeStefano campaign's web activities, a review of
6 the sites themselves suggests that any resulting in-kind contribution would be minimal.

7 In view of the above, the Commission exercises its prosecutorial discretion and dismisses
8 the allegations that Camden County Democratic Committee violated 2 U.S.C. §§ 433, 434(a) and
9 (b) and 441a(a). *See Heckler v. Chaney*, 470 U.S. 821 (1985).

10 CCDC employees Bill Moen and Matt White are alleged to have solicited signatures to
11 qualify Mr. DeStefano for the ballot. Even if true, this activity would have taken place in their
12 capacity as employees of CCDC. Thus, any alleged contribution to the DeStefano Committee
13 based on the activity of Messrs. Moen and White would have come from CCDC rather than from
14 the individuals. Therefore, the Commission finds no reason to believe that Bill Moen or Matt
15 White violated 2 U.S.C. § 441a(a).

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR 6400

RESPONDENT: Peter DeStefano for Congress and
Peter M. DeStefano, in his official capacity as treasurer

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission by the New Jersey Republican State Committee. *See* 2 U.S.C. § 437g(a)(1).

II. FACTUAL AND LEGAL ANALYSIS

The complaint alleges that Adler for Congress and Richard Sexton, in his official capacity as treasurer ("Adler Committee"), the principal campaign committee of former Congressman John H. Adler, and the Camden County Democratic Committee ("CCDC"), a county political party committee registered with the New Jersey Election Law Enforcement Commission, made excessive in-kind contributions to Peter DeStefano for Congress ("DeStefano Committee"), the principal campaign committee of Peter DeStefano, which the DeStefano Committee failed to report. Mr. DeStefano, a candidate in the 2010 General Election for U.S. House of Representatives in the 3rd Congressional District of New Jersey, ran under the slogan "NJ Tea Party," and qualified for the ballot by filing a petition for direct nomination on June 8, 2010.¹ The complaint also alleges that DeStefano did not properly file a complete Statement of Organization and the DeStefano Committee has not filed any disclosure reports with the Commission.

¹ Mr. DeStefano lost the 2010 General Election with 1% of the vote.

A. The Contribution and Related Failure to Disclose Allegations

Under the Federal Election Campaign Act of 1971, as amended ("the Act"), no person may make a contribution to a candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceeds \$2,400 during the 2010 election cycle, and no candidate or authorized political committee may knowingly accept such a contribution. 2 U.S.C. §§ 441n(a)(1) and (f). The Act defines "contribution" as the provision of something of value "for the purpose of influencing any election for Federal office," and includes the "payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose." 2 U.S.C. §§ 431(8)(A)(i) and (ii). *See also* 11 C.F.R. § 100.52(d). Treasurers of political committees are required to disclose all contributions. 2 U.S.C. § 434(b).

Based on two attached published reports, the complaint alleges that consultant Haddon Capital Ventures, LLC ("HCV"); its owner, Steve Ayscue; the Adler Committee's campaign manager, Geoff Mackler; and CCDC's employees, Bill Moen and Matt White, were each compensated by either the Adler Committee or CCDC to assist DeStefano's petition drive. As a result, according to the complaint, the Adler Committee and CCDC made contributions to the DeStefano campaign pursuant to 2 U.S.C. § 431(8)(A)(ii) that the DeStefano Committee accepted but did not report. According to one published report, Ayscue recruited a then unidentified man (later identified as DeStefano) to run as a third party candidate to draw votes from Adler's Republican opponent. *See Dems Picked Spoiler Candidate*, www.CourierPostOnline.com, October 8, 2010. The report also states that Ayscue recruited volunteers to collect petition signatures to place the third party candidate on the ballot. *Id.*

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1 While neither published report attached to the complaint mentions CCDC employees Bill
2 Moen or Matt White, other published reports state that they participated in collecting signatures
3 for DeStefano's ballot petition. *See, e.g., Candidate "Plant" Insult To Voters*, www.app.com,
4 October 9, 2010. The Adler Committee and CCDC disclosed no contributions to the DeStefano
5 Committee, and the DeStefano Committee did not disclose the receipt of any contributions from
6 the Adler Committee or CCDC, or from any of the individuals allegedly working to support or
7 assist DeStefano in ballot efforts.

8 DeStefano's one-page response, submitted on behalf of his campaign, states "I have not
9 received assistance of any kind from Mr. Adler, nor any person who I know to be connected with
10 Mr. Adler's campaign. Neither Mr. Ayscue nor Mr. Mackler, nor any other person connected
11 with Mr. Adler's campaign have worked on my campaign, contributed money, or anything else,
12 or in any way assisted my campaign." Ayscue's alleged involvement, according to the published
13 reports, was in recruiting DeStefano to run and appearing at a meeting with Mackler, where both
14 allegedly supported the idea of volunteers assisting with soliciting signatures for DeStefano's
15 ballot petition. DeStefano is not alleged to have been at that meeting, and none of the available
16 information contradicts his statements that he was not aware of any assistance from them with
17 the pre-campaign petition effort. Thus, there is an insufficient basis to conclude that either
18 DeStefano or his campaign committee, of which he was the treasurer, knowingly accepted
19 contributions from these sources.

20 DeStefano does not address any assistance he may have received from the CCDC through
21 the alleged involvement of CCDC employees Moen and White in collecting signatures for his
22 ballot petition. If CCDC paid its employees to collect signatures for DeStefano's campaign,

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1 CCDC made expenditures within the meaning of 2 U.S.C. § 431(9)(A)(i). *See* Advisory Opinion
2 1994-05 (White) (expenses incurred in gathering signatures to qualify for a ballot are
3 expenditures); Advisory Opinion 2006-20 (Unity 08) (payments to obtain ballot access through
4 petition drives are expenditures) (vacated on other grounds by *Unity08 v. F.E.C.*,
5 596 F.3d 61 (D.C. Cir. 2010)); MUR 5581 (Nader for President 2004), Factual and Legal
6 Analysis at 4 n.6 (amounts spent on obtaining signatures for candidate to appear on general
7 election ballot are expenditures). If CCDC coordinated its activities with DeStefano, then these
8 expenditures were in-kind contributions to his campaign and should have been reported by the
9 DeStefano Committee. *See* MUR 5783 (Carl Romanelli for U.S. Senate) (payments made for
10 ballot petitioning efforts that were coordinated with candidate constituted in-kind contributions).
11 However, in view of the limited amount of any contributions, if any, it does not appear that an
12 investigation would be a good use of the Commission's resources.

13 The complaint also alleges that Steve Ayscue operated DeStefano's website, Twitter
14 account, and Facebook page. The second published report upon which the complaint relies,
15 however, states only that an unidentified "county Democratic employee is running at least the
16 Web elements of DeStefano's campaign." *See* Complaint, Exhibit 2. Even if Ayscue ran the
17 DeStefano campaign's web activities, a review of the sites themselves suggests that any resulting
18 in-kind contribution would be minimal. In view of the above, the Commission exercises its
19 prosecutorial discretion and dismisses the allegations that Peter DeStefano for Congress and
20 Peter DeStefano, in his official capacity as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b) by
21 knowingly accepting and failing to disclose an excessive contribution.

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B. Allegations that the DeStefano Committee's Statement of Organization was Incomplete and that the Committee Failed to File Disclosure Reports

Political committees must file a Statement of Organization with the Commission within 10 days of meeting the threshold definition found in 2 U.S.C. § 431(4)(C), and must file reports that comply with 2 U.S.C. § 434. 2 U.S.C. §§ 433(a), 434(a)(1). The complaint alleges that the DeStefano Committee has not properly filed a complete Statement of Organization with the Commission and has failed to file any disclosure reports. Complaint at 3 and Exhibits 8 and 9.

Following the complaint, the DeStefano Committee twice amended its Statement of Organization, which now appears complete.² Since the complaint, the DeStefano Committee also has filed two disclosure reports with the Commission. On October 27, 2010, it filed a report styled as a 2010 October Quarterly Report covering April 5 through October 18, 2010, disclosing total contributions of \$3,361 and total expenditures of \$3,286. Subsequently, on November 3, 2010, the DeStefano Committee filed a second report, covering April 5 through October 30, 2010, disclosing the same \$3,361 in contributions and \$3,286 in expenditures. *See* DeStefano Response attaching the 2010 October Quarterly Report. The reports show that \$2,386 came from DeStefano's own funds, and his response reiterates that fact and states that the remainder came from family and friends. *Id.* The reports and his response also show a debt of \$557 for printing; his response states he will probably pay the debt from his own funds. *Id.* While the DeStefano Committee has not yet filed a 2010 Post-General or Year-End Report, the available information

² The complaint based its allegation on a September 16, 2010 Request for Additional Information ("RFAI") sent to the DeStefano Committee because the original Statement of Organization filed August 30, 2010 did not include information about the candidate, any connected or affiliated committees, the treasurer and any designated agents, or a bank depository. The DeStefano Committee filed an amended Statement of Organization on October 25, 2010. A second RFAI followed on December 23, 2010, because the amended Statement of Organization filed October 25, 2010 was not signed by DeStefano in his official capacity as treasurer. DeStefano filed a signed Statement of Organization on January 19, 2011.

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1 does not suggest that the Committee engaged in substantial, if any, additional activity during
2 these reporting periods.

3 Due to the DeStefano Committee's filing of amended Statements of Organization and
4 disclosure reports, albeit untimely, and the low dollar amount of the DeStefano Committee's
5 disclosed activity, pursuit of these registration and reporting allegations does not merit the
6 further use of Commission resources. Therefore, the Commission exercises its prosecutorial
7 discretion and dismisses the allegations that Peter DeStefano for Congress and Peter DeStefano,
8 in his official capacity as treasurer, failed to properly file a complete Statement of Organization
9 and file disclosure reports in violation of 2 U.S.C. §§ 432(e)(1) and 434(a), respectively.

10 *See Heckler v. Chaney*, 470 U.S. 821 (1985).

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FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS****MUR 6400**

RESPONDENTS: Adler for Congress and Richard J. Sexton, in his official
capacity as treasurer
John H. Adler¹
Geoff Mackler

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission by the New Jersey Republican State Committee. See 2 U.S.C. § 437g(a)(1).

II. FACTUAL AND LEGAL ANALYSIS

The complaint alleges that Adler for Congress and Richard Sexton, in his official capacity as treasurer ("Adler Committee"), the principal campaign committee of former Congressman John H. Adler, made and failed to disclose excessive in-kind contributions to Peter DeStefano for Congress ("DeStefano Committee"), the principal campaign committee of Peter DeStefano. Both Adler and DeStefano were candidates in the 2010 General Election for U.S. House of Representatives in the 3rd Congressional District of New Jersey; Adler was the Democratic nominee and DeStefano, running under the slogan "NJ Tea Party," qualified for the ballot by filing a petition for direct nomination on June 8, 2010.²

Under the Federal Election Campaign Act of 1971, as amended, ("the Act") no person may make a contribution to a candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceeds \$2,400 during the 2010 election

¹ Mr. Adler died on April 4, 2011.

² Mr. Adler and Mr. DeStefano both lost the 2010 General Election, with 47% and 1% of the vote, respectively.

1 cycle, and no candidate or authorized political committee may knowingly accept such a
2 contribution. 2 U.S.C. §§ 441a(a)(1) and (f).³ The Act defines “contribution” as the provision of
3 something of value “for the purpose of influencing any election for Federal office,” and includes
4 the “payment by any person of compensation for the personal services of another person which
5 are rendered to a political committee without charge for any purpose.” 2 U.S.C. §§ 431(8)(A)(i)
6 and (ii). See also 11 C.F.R. § 100.52(d). Treasurers of political committees are required to
7 disclose all contributions. 2 U.S.C. § 434(b).

8 Based on two attached published reports, the complaint alleges that consultant Haddon
9 Capital Ventures, LLC (“HCV”), its owner, Steve Ayscue, and the Adler Committee’s campaign
10 manager, Geoff Mackler, were each compensated by the Adler Committee to assist DeStefano’s
11 petition drive. As a result, according to the complaint, the Adler Committee made unreported
12 contributions to the DeStefano campaign pursuant to 2 U.S.C. § 431(8)(A)(ii). According to one
13 published report, Ayscue recruited a then unidentified man (later identified as DeStefano) to run
14 as a third party candidate to draw votes from Adler’s Republican opponent. See *Dems Picked*
15 *Spoiler Candidate*, www.ConrierPostOnline.com, October 8, 2010. The report also states that
16 Ayscue recruited volunteers to collect petition signatures to place the third party candidate on the
17 ballot. *Id.*

18 The Adler Committee disclosed no contributions to the DeStefano Committee, and the
19 DeStefano Committee did not disclose the receipt of any contributions from the Adler

³ Any contribution from the Adler Committee to DeStefano would be subject to the \$2,000 limit in 2 U.S.C. § 432(e)(3)(B).

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1 Committee, or from any of the individuals allegedly working to support or assist DeStefano in
2 ballot efforts.

3 The Adler Response submitted jointly by former Congressman John H. Adler, the Adler
4 Committee's treasurer, and Geoff Mackler, the Adler Committee's campaign manager, denies
5 that Adler or his campaign supported or assisted the DeStefano campaign in any way, that they
6 made any in-kind contributions to DeStefano, and that there was any coordination between the
7 Adler and DeStefano campaigns. Adler Response at 2. In addition, the Adler response
8 maintains that the complaint is insufficient because it relies on published reports that cite only
9 anonymous sources. See Adler Response at 2. Neither of the published reports directly
10 implicate former Congressman Adler or the Adler Committee apart from the alleged presence of
11 the Committee's campaign manager, Geoff Mackler, at the May 2010 evening meeting. That the
12 Adler Committee paid Mackler, as alleged in the complaint, both before and after that meeting, is
13 not particularly probative, since Mackler was then employed as its campaign manager.

14 Based on the available information, including that neither of the alleged participants,
15 Messrs. Mackler and Ayscue, have denied their involvement in efforts supporting the DeStefano
16 campaign, it appears that there may have been an in-kind contribution from the Adler Committee
17 to the DeStefano campaign. See 2 U.S.C. § 431(8)(A)(i); 11 C.F.R. § 100.52(d). However, even
18 if Messrs. Mackler and Ayscue sought volunteers at one event to assist with the DeStefano
19 campaign, the value of any resulting in-kind contribution from the Adler Committee, as payor of
20 these individuals' salary and consulting fees, would be both difficult to measure and
21 insubstantial.

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1 The complaint also alleges that Ayscue operated DeStefano's website, Twitter account,
2 and Facebook page. The second published report upon which the complaint relies, however,
3 states only that an unidentified "county Democratic employee is running at least the Web
4 elements of DeStefano's campaign." See Complaint, Exhibit 2. The Adler Response did not
5 address this allegation. Even if Ayscue ran the DeStefano campaign's web activities, a review of
6 the sites themselves suggests that any resulting in-kind contribution would be minimal.

7 In view of the above, the Commission exercises its prosecutorial discretion and dismisses
8 the allegation that Adler for Congress and Richard J. Sexton, in his official capacity as treasurer,
9 violated 2 U.S.C. §§ 441a(a) and 434(b). See *Heckler v. Chaney*, 470 U.S. 821 (1985).

10 As for Geoff Mackler, he does not appear to have personally made a contribution to the
11 DeStefano Committee since he is not alleged to have made any payments and his support for the
12 Committee, if any, was conducted in his role as the Adler campaign manager. Therefore, the
13 Commission finds no reason to believe that Geoff Mackler violated 2 U.S.C. § 441a(a).

14 With respect to John H. Adler, the available information does not suggest any liability on
15 his part. Therefore, the Commission finds no reason to believe that John H. Adler violated
16 2 U.S.C. § 441a(a).

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